



Department of Public Works

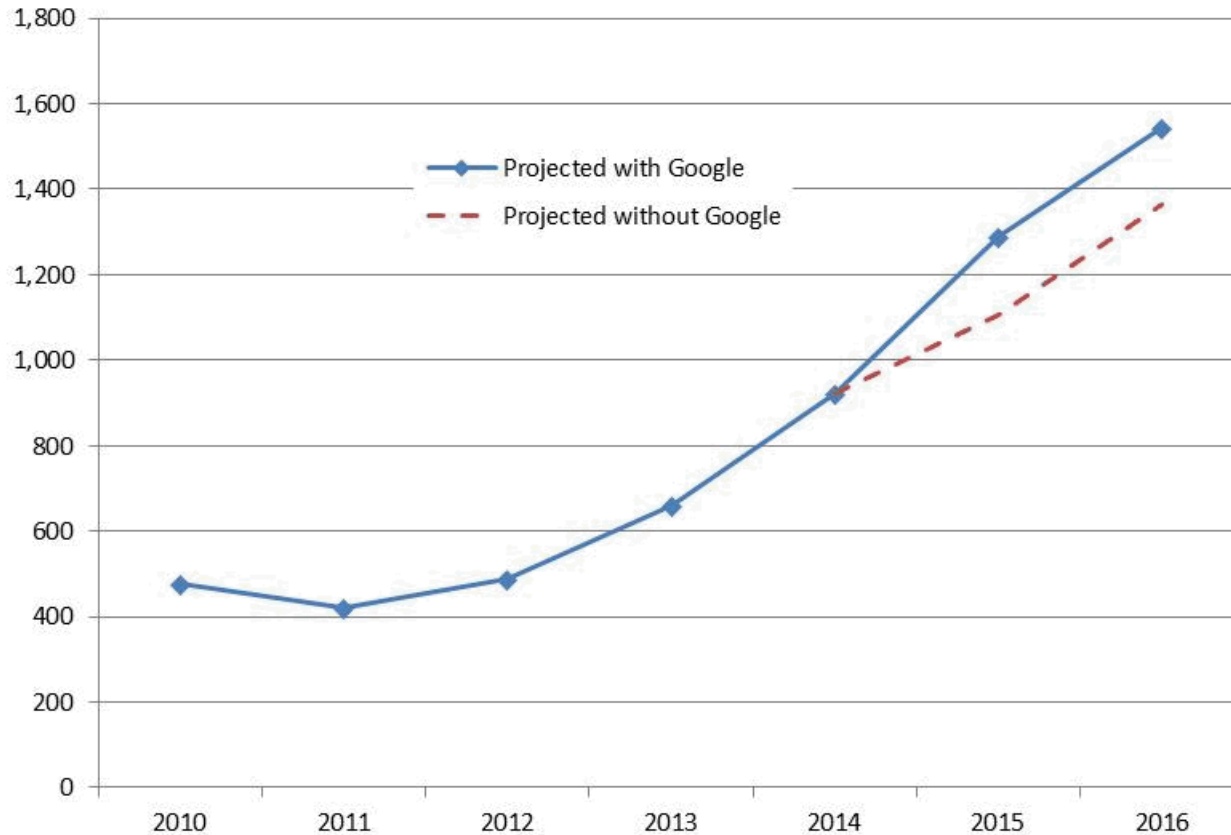
Permitting, Locating and Inspections of Underground Fiber Cable

Number of Permits 2010-2014 Projected 2015 -2016

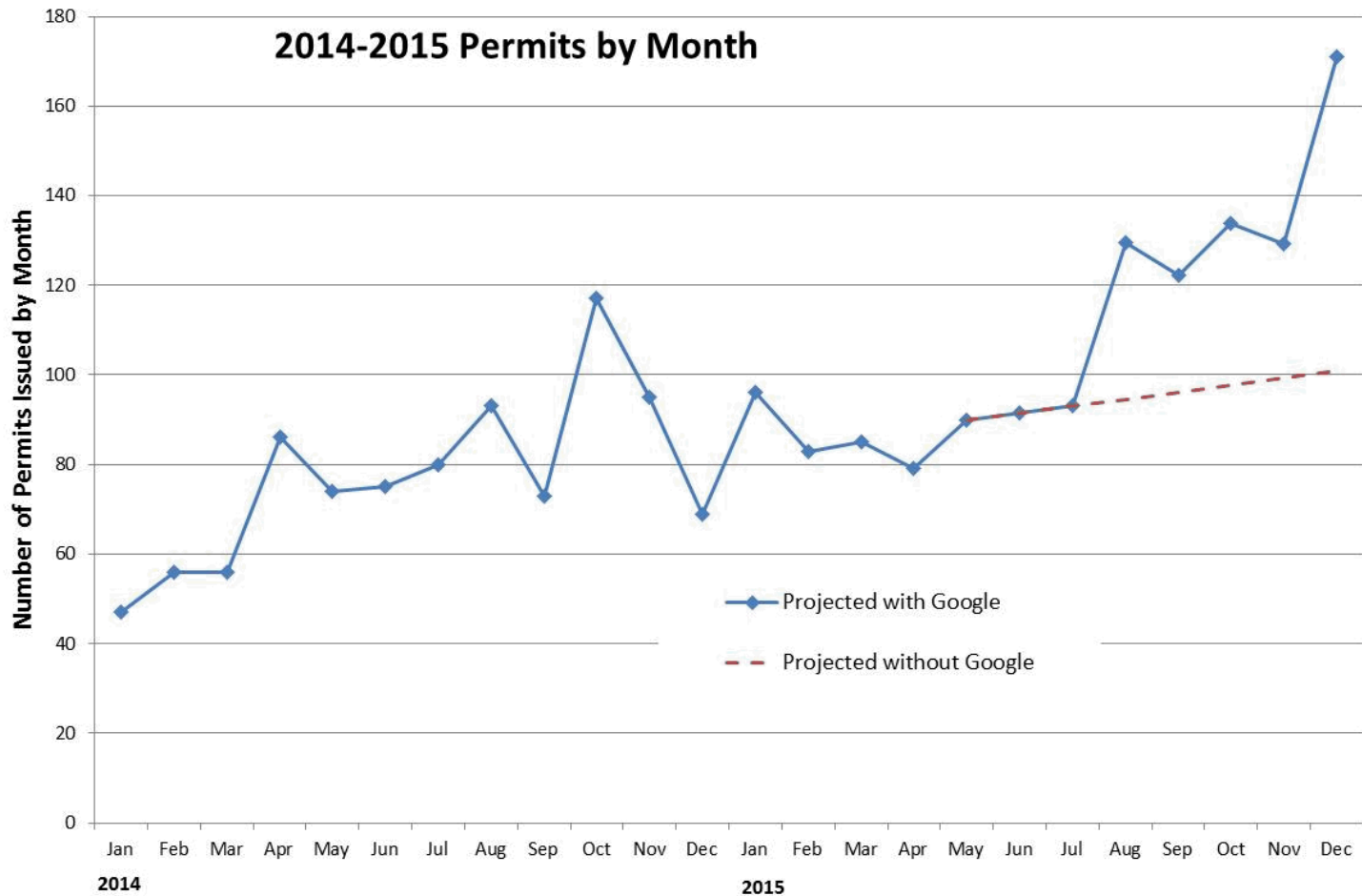
<i>Year</i>	<i>Number of Permits</i>								<i>Average Per Month</i>
	<i>AT&T</i>	<i>Duke</i>	<i>Frontier</i>	<i>PSNC</i>	<i>Time Warner</i>	<i>Others</i>	<i>Google</i>	<i>Total</i>	
2010	1	22	42	171	210	31		477	40
2011		33	52	170	151	16		422	35
2012		36	31	187	220	15		489	41
2013	3	45	38	291	254	31		662	55
2014	8	37	39	553	252	32		921	77
2015	48	45	60	714	207	33	184	1,291	108
2016	96	45	60	922	207	33	182	1,545	129

Permits Issued 2010-2014 Projected 2015-2016

Permits Issued 2010-2014 - Projected for 2015-2016



2014-2015 Permits by Month

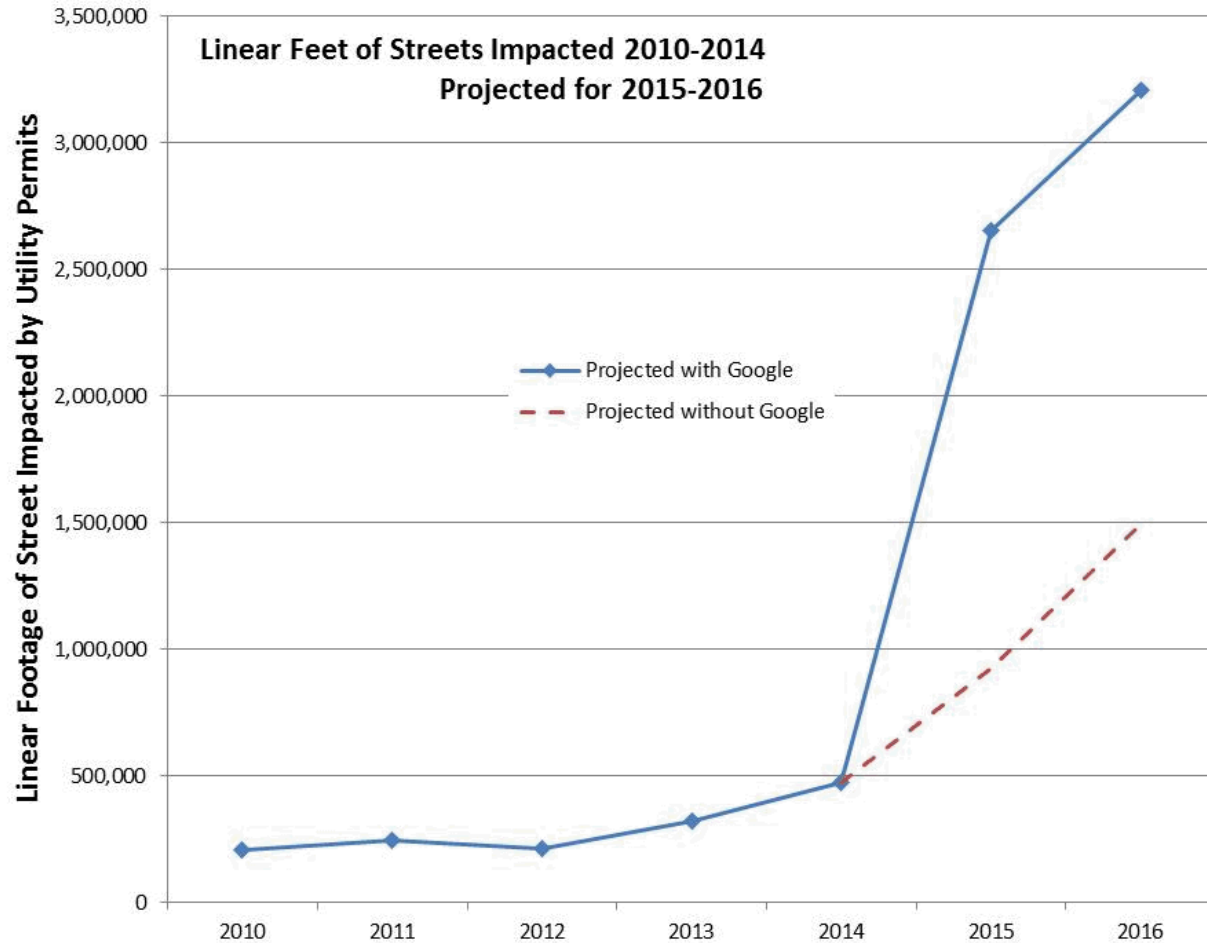




Google Preliminary Schedule Crews in Field – Miles Installed

			Estimated Number of Permits	Number of Construction Bechtel/Google Crews in Field	Estimated Number of Miles Installed
	Year	Month			
FY15	2015	April			
		May			
		June			
FY16		July		1	1
		August	35	1	1
		September	26	1	1
		October	36	1	1
		November	30	1	1
		December	70	3	5
	2016	January	40	3	5
		February		26	46
		March		19	35
		April	81	33	60
		May		40	73
		June		39	70
		July		37	66
		August		40	71
FY17		September		33	59
		October		38	69
		November		21	38
		December		26	46
	2017	January		21	37
		February		2	4
		MArch		2	4
	Totals		318		689

All Utilities – Linear Feet of Streets Impacted



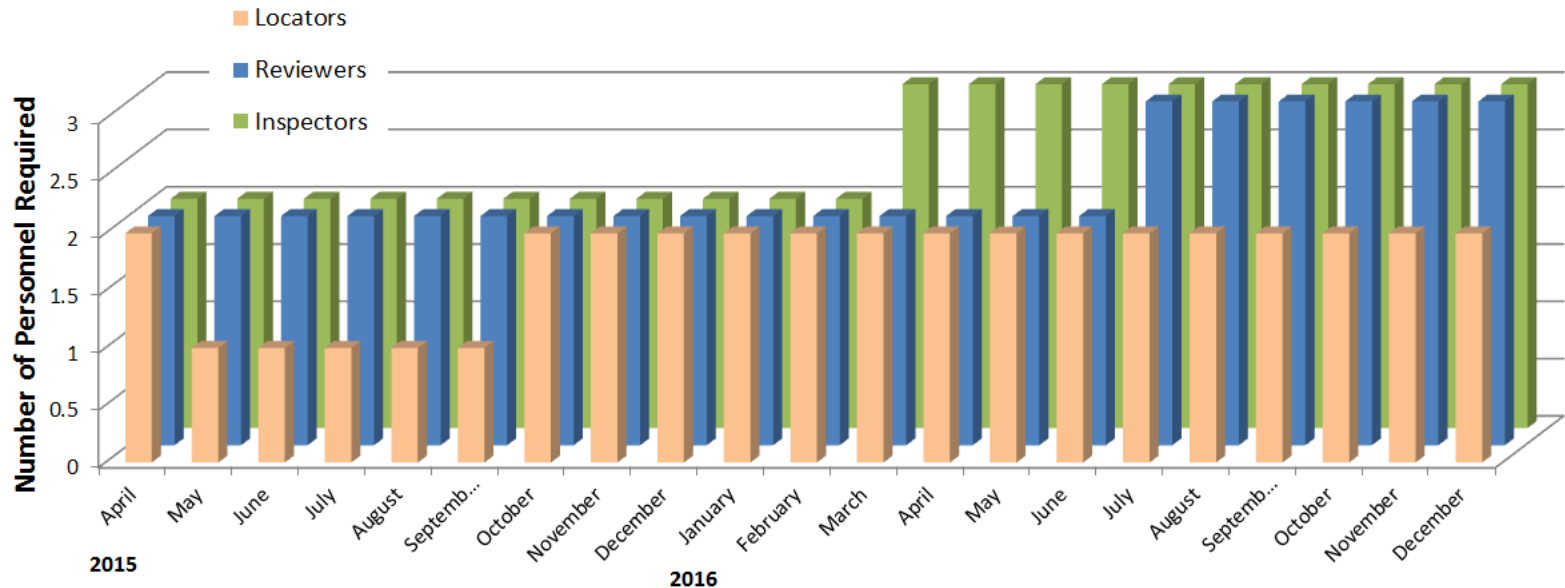


Staffing Requirements Underlying Assumptions

- Permitting - Fifteen (15) working day turnaround on review/approval of permit applications
- Locating – Each staff person can locate 4,000 linear feet per day
- Inspections – One inspector for every six (6) construction crews

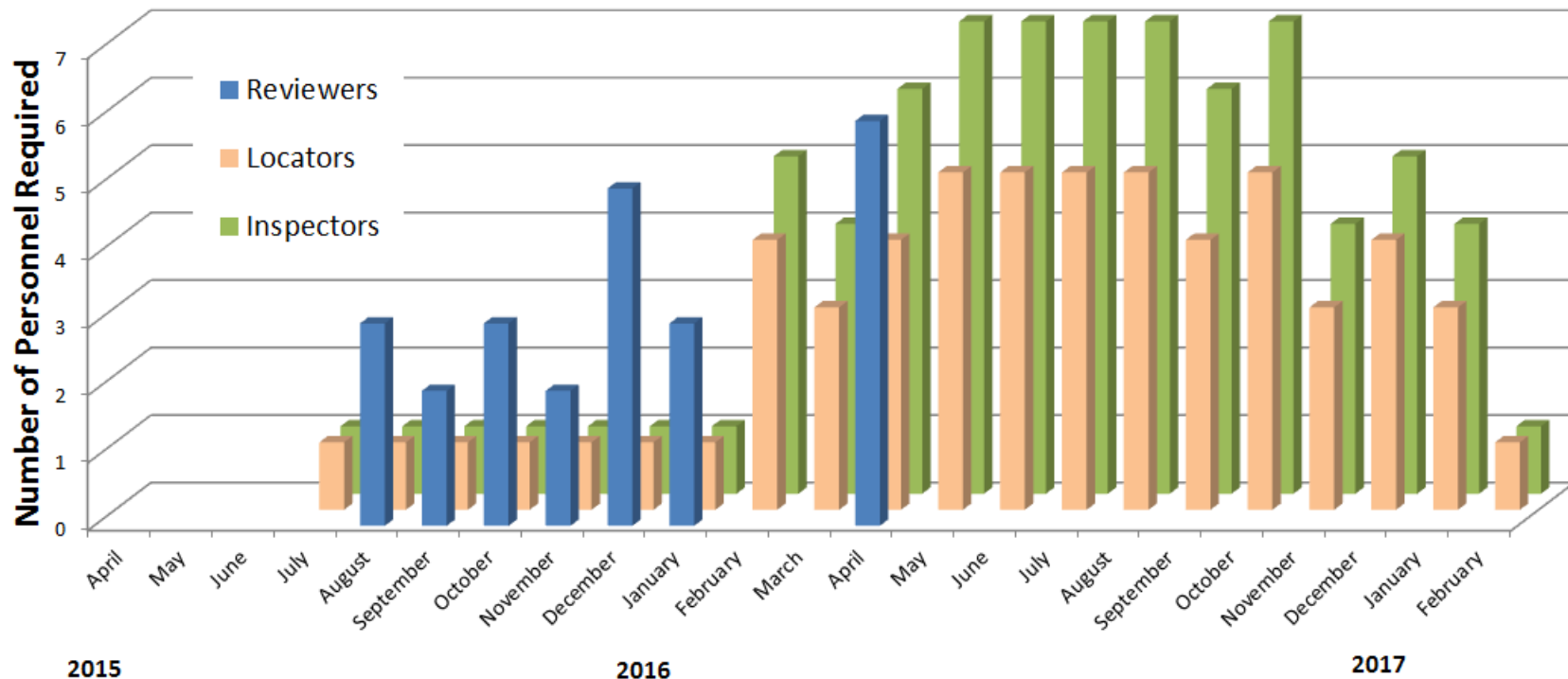
Staffing Requirements Base Forecasted Workload

**Current Staffing Requirement for Utility Permitting, Locating and Inspection
Base Forecasted Workload without Google**



Staffing Requirements for Google Fiber Optic Only

**Future Staffing Requirement for Utility Permitting, Locating and Inspection
For Google Only**





Current Staffing - Permitting Locating, Inspections and Management

The staff currently utilized support the utility permit program and their estimated annual cost are summarized in the table below.

CURRENT STAFFING LEVEL

<u>Position/function</u>	<u>FTE Equivalent</u>	Full FTE Annual Cost	<u>Pro-Rated Annual Cost</u>
		<u>Salary + Benefits and Equipment</u>	
Engineering Technician/permitting	1.0	\$76,653	\$76,653
Utility Locator	1.0	\$91,210	\$91,210
Inspector	1.0	\$96,900	\$96,900
Engineer (CEIV)/Proj Supv	0.1	\$141,390	\$14,139
Support Staff	0.25	\$65,416	<u>\$16,354</u>
		Total Annual Cost	\$295,256



Staffing Level Requirement Consistent with Current Workload

The staff level required to fully support the utility permit program and their estimated annual cost are summarized in the table below.

STAFFING LEVEL REQUIREMENT CONSISTENT WITH WORKLOAD

<u>Position/function</u>	<u>FTE Equivalent</u>	Full FTE Annual Cost	
		<u>Salary + Benefits and Equipment</u>	<u>Pro-Rated Annual Cost</u>
Engineering Technician/permitting	2.0	\$76,653	\$153,306
Utility Locator	2.0	\$91,210	\$182,420
Inspector	2.0	\$96,900	\$193,800
Engineer (CEIV)/Proj Supv	0.2	\$141,390	\$28,278
Support Staff	0.25	\$65,416	<u>\$16,354</u>
		Total Annual Cost	\$574,158



Staffing and Consulting Assistance Alternatives for Permitting, Locating and Inspections

Option A – Consultant Services as Currently Proposed

Option B – Increase Permit Fees

Option C – Existing Staff Only (no Consultant)

Option D – Consultant Services with lower Service Levels

Option E – Hire Full-Time Temporary Staff

Option F – Combination of Option D and Option E

Option G – Combination of Option A and Option B



Option A – Consultant Services as Currently Proposed

Pros

- No need to hire additional staff
- Scalable – provide consulting services and staff only when needed, as many as necessary
- Leverage consulting services to assist with AT&T and other utilities when needed during peak periods

Cons

- Has the potential to be Costly



Option B – Increase Permit Fees

Pros

- Approach Self-Supporting with Revenue/Expense closer to neutral
- Spread burden equitably across all utilities

Cons

- Utility pushback



Option C – Existing Staff Only

Pros

- Least Expensive

Cons

- Significant delays in permitting and locating
- Substantial risk to City infrastructure due to not locating within State proscribed timeline
- Limited capacity to inspect work
- Slow to address citizens concerns and issues
- Substantial potential risk for future street repair
- Staff stress



Option D – Consultant with Lower service levels

Pros

- Lower Cost

Cons

- Some delays in permitting and less inspectors in field
- Reduced capacity to inspect work
- Longer turnaround to address citizens concerns/issues
- Some potential risk for future street repair

Assumptions

- Permitting - Thirty (30) day turnaround on permit applications
- Locating – Each staff person can locate 4,000 linear feet per day
- Inspections – One inspector for per 12-15 construction crews



Option E – Hire Full-Time Temporary Staff

Pros

- Lower Cost – Short Term
- More Control
- Our Values – Diversity, Fairness, Opportunity and Benefits

Cons

- Parity Issue - Labor in these markets may be more expensive than compensation provided to existing staff
- Not Scalable Up or Down
- Equipment and ramp-up costs and time lag
- We may likely have excess staff when project goes through cyclical (and/or seasonal) periods of decreased field work and ultimately winds down



“F” - Combination of Option D and Option E

Pros

- Lower Cost – Short Term and Long Term
- Some Additional Control
- Creates opportunity

Cons

- Parity Issue - Labor in these markets may be more expensive than compensation provided to existing staff
- Scalable Issues Remain
- Equipment and ramp-up costs and time lag
- Less likely to have excess staff



“G”-Combination of Option A and Option B

Pros

- No Need to Hire Additional Staff
- Scalable – Only Provide Necessary Services
- Generate Revenue to offset Cost
- Align Fee Schedule with Cost of Service
- Less Costly

Cons

- Utility Pushback
- Commitment to Stable Rates



Utility Permit Fee Annual Revenue 2010 – 2015 YTD

<i>Year</i>	<i>Annual Revenue From Current Fee Schedule</i>
2010	\$58,130
2011	\$60,870
2012	\$55,870
2013	\$78,760
2014	\$114,420
2015 YTD	\$56,404



Utility Permit Fee Analysis

Current Fee Schedule

Our current Utility Permit Fee schedule was implemented at the beginning of calendar year 2010 and is summarized below.

All permits applied for at one time in a contiguous defined geographic area will be included in one permit.

Centerline Linear Foot Calculation in Right of Way Permit Fee

- 1) 200 feet or less \$50*
- 2) Over 200 feet, up to 1,000 feet \$120*
- 3) Over 1,000 feet, up to 5,000 feet \$460*
- 4) Over 5,000 feet Calculate per (1) through (3) above*

Utility Permit Fee Analysis

Alternative Fee Schedules Analyzed

Alternative	Application Fee		Inspections and Locating Fee per Lineal Foot
	Base Fee	Fee per Lineal Foot	
"A"	\$40		\$0.25
"B"	\$100		\$0.20
"C"	\$100		\$0.25
"D"	\$120	\$0.05	\$0.23

Utility Permit Fee Analysis

Projected Annual Revenue Under Alternative Fee Schedules

<i>Total Annual Revenue by Utility Permit Fee Schedule</i>					
<i>Year</i>	<i>Existing Fee</i>	<i>"A"</i>	<i>"B"</i>	<i>"C"</i>	<i>"D"</i>
2010	\$58,130	\$70,969	\$89,211	\$99,589	\$115,355
2011	\$60,870	\$78,665	\$91,968	\$104,285	\$120,215
2012	\$55,870	\$72,346	\$91,129	\$101,686	\$117,800
2013	\$78,760	\$106,706	\$130,381	\$146,426	\$169,293
2014	\$114,420	\$154,671	\$186,365	\$209,931	\$242,491
2015	\$406,774	\$715,270	\$660,004	\$792,730	\$898,186
2016	\$473,312	\$863,358	\$789,684	\$949,996	\$1,085,713